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# Office Memorandum • UNITED STATES GOVERNMENT

TO : Chairman, Projects Review Committee  
THRU: Exec. for A & M  
FROM : Chief, Services Branch, A & M

DATE: 22 November 1948

SUBJECT: Garage Facilities

1. In accordance with Administrative Instruction No. [REDACTED] dated 25X1A 23 March 1948, subject: "Projects", it is the desire of the Chief, Services Branch to submit for consideration a proposal that CIA lease new garage facilities at an annual rental of \$15,000.

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2. The present garage facilities located at [REDACTED], consisting of a repair shop and office quarters, totaling approximately 7000 square feet, are covered under CIA Lease No. XG-93 for the period 1 September 1947 to 30 June 1948 at an annual rental of \$4500. The lessor under this lease is [REDACTED] and the lease is subject to cancellation upon thirty days written notice being given in writing to the lessor.

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3. At the present time, garage facilities are required for the maintenance, repair, and storage of a total of 84 vehicles (passenger cars and trucks) and 4 trailer trucks in use in the Washington area. The present garage facilities described in paragraph 2 above accommodate a maximum of 34 vehicles of the 84 in use. All other vehicles not being accommodated in this garage are stored either on the [REDACTED] property or in the vicinity of CIA buildings at 2430 E Street in outside storage. These vehicles are subject to theft, all types of weather conditions, and in certain instances, vehicles have not been properly maintained due to the lack of cooperation of certain CIA activities or personnel who do not return the vehicles to the garage when requested for maintenance and repair work to be performed when it is needed.

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4. [REDACTED] is constructing a building located one-half block from the present garage facilities at the southeast corner of [REDACTED]. This building will contain 17,200 square feet of space and is being constructed, so I am told, by [REDACTED] at a cost in excess of \$140,000. [REDACTED] has offered to lease this building to CIA at a monthly rental of \$1250, including utilities, or an annual cost of \$15,000. My original tentative offer to [REDACTED] was in the amount of \$1000. per month and following that, in our negotiations, I tentatively offered a compromise of \$1125. To this moment, [REDACTED] has rejected both offers and has stated that he cannot lease the building for less than \$1250. per month or \$15,000 per annum, due to present day high costs of construction. The building will be completed on or about 1 January 1949. The cost of this space will be at the rate of 77¢ per square foot which is reasonable and in line with present day costs of similar space in this area. This figure

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compares with the space now under lease in the amount of 7000 square feet, which is leased at a rate of 64¢ per square foot. However, the difference in cost is accounted for by the fact that the present building was constructed in 1943 and the proposed building now under construction is being erected when construction costs are inflated.

25X1A9a 5. As indicated in my memorandum of 16 July 1949 commenting on  
25X1A6a memorandum of 17 February 1948 from [REDACTED], Inspector,  
25X1A6a Inspection and Security, it was intended to lease property now under  
25X1A9a lease by [REDACTED], referred to  
25X1A6a as the [REDACTED], adjacent to the [REDACTED] property. In  
[REDACTED] report he indicated, as we have been aware, the inconvenient  
location of the gas pump to the garage. The building which we propose  
to lease would accommodate gas pump facilities and would solve many  
problems in connection with the operation of the Motor Pool Garage,  
would improve security, and eliminate congestion at the [REDACTED]  
house. This property was to be leased to CIA upon being vacated by the  
present tenants at a cost of \$400. per month or an annual rental of  
\$4800, including appurtenant land. This facility would be used for  
repair and storage but it was realized that it would be inadequate to  
accommodate additional vehicles not accommodated by the present facilities.  
It appears, however, that this property will not be available for probably  
an additional eighteen months and possibly at that time would not be the  
ideal answer to our requirement. The total cost under this arrangement  
would have been \$9300 per annum.

25X1A6a 6. It is therefore recommended that the Projects Review Committee  
approve the cancellation of present Lease No. XG-93, effective 31 Decem-  
ber 1948 and authorize the Chief, Services Branch to enter into a new  
lease for the proposed facility effective 1 January 1949 at a cost not  
in excess of \$15,000.

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[REDACTED]